

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. <sup>1</sup>	:	
	X	

**URGENT MOTION OF (I) FINANCIAL OVERSIGHT AND MANAGEMENT BOARD,  
ACTING THROUGH ITS SPECIAL CLAIMS COMMITTEE, AND (II) OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS, UNDER BANKRUPTCY CODE  
SECTIONS 105(a) AND 502 AND BANKRUPTCY RULE 3007, TO FURTHER EXTEND  
DEADLINES WITH RESPECT TO OMNIBUS OBJECTION TO CLAIMS OF  
HOLDERS OF CERTAIN COMMONWEALTH GENERAL OBLIGATION BONDS**

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<sup>1</sup> The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Magistrate Judge Dein:

The Financial Oversight and Management Board for the Commonwealth of Puerto Rico (the “Commonwealth”), acting through its Special Claims Committee (the “Oversight Board”), and the Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA) (the “Committee,” and together with the Oversight Board, the “Objectors”), hereby submit this urgent motion (the “Motion”), pursuant to sections 105(a) and 502 of Title 11 of the Bankruptcy Code,<sup>2</sup> made applicable to these Title III cases by section 301(a) of PROMESA, and Rule 3007 of the Bankruptcy Rules, made applicable to these Title III cases by section 310 of PROMESA, requesting entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), further extending certain deadlines in connection with the litigation of the Objection and granting related relief. ***The overwhelming majority of parties that filed objections to the GO Procedures Motion and certain other Participants that hold a significant amount of Challenged GO Bonds (collectively, the “M&C Parties”) consent to this relief. No M&C Party has informed the Objectors that it objects to this relief.*** In support of this Motion, the Objectors respectfully state as follows:

### **REQUESTED RELIEF**

1. On February 15, 2019, the Court entered an order (the “GO Procedures Order”) establishing procedures with respect to the litigation of the Objection.<sup>3</sup> Pursuant to the

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings given to them in the *Urgent Motion of (I) Financial Oversight and Management Board, Acting Through its Special Claims Committee, and (II) Official Committee of Unsecured Creditors, Under Bankruptcy Code Sections 105(a) and 502 and Bankruptcy Rule 3007, Establishing Procedures With Respect to Omnibus Objection to Claims Filed or Asserted by Holders of Certain Commonwealth General Obligation Bonds and Requesting Related Relief* [Docket No. 4788] (the “GO Procedures Motion”).

<sup>3</sup> See Order, Pursuant to Bankruptcy Code Section 502 and Bankruptcy Rule 3007, Establishing Initial Procedures With Respect to Omnibus Objection of (I) Financial Oversight and Management Board, Acting Through its Special Claims Committee, and (II) Official Committee of Unsecured Creditors, to Claims Filed or Asserted by Holders of Certain Commonwealth General Obligation Bonds and Granting Related Relief [Docket No. 5143].

“Objection Procedures” annexed as Exhibit 2 to the GO Procedures Order (the “Objection Procedures”),<sup>4</sup> persons and entities, including *ad hoc* groups of holders of Challenged GO Bond Claims, intending to participate in the litigation of the Objection were required to file and serve Notices of Participation by the Participation Deadline, which was April 16, 2019.

2. More than 1,670 Participants submitted Notices of Participation; the vast majority of Participants acting *pro se*.<sup>5</sup> The Objection Procedures require the Objectors and Respondents to meet and confer to develop Initial Proposals for litigation procedures by May 7, 2019 and a Recommendation to file with the Court by May 28, 2019. As set forth in the Objectors’ May 2, 2019 urgent motion (the “May 2 Motion”),<sup>6</sup> due to the sheer number of Participants, the “meet and confer” process envisioned under the Objection Procedures is impossible to carry out because there is no way for either side to meaningfully meet and confer in a timely manner. Accordingly, the Objectors requested an extension of the Initial Proposal Exchange Deadline to May 17, 2019 to give the Objectors time to confer with the M&C Parties and thereafter submit to the Court proposed revisions to the Objection Procedures.

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<sup>4</sup> See *Initial Procedures for Resolving Omnibus Objection of (I) Financial Oversight and Management Board, Acting Through its Special Claims Committee, and (II) Official Committee of Unsecured Creditors Pursuant to Bankruptcy Code Section 502 and Bankruptcy Rule 3007, to Claims Filed or Asserted by Holders of Certain Commonwealth General Obligation Bonds*, annexed as Exhibit 2 to the GO Procedures Order.

<sup>5</sup> See *Informative Motion of (I) Financial Oversight and Management Board, Acting Through its Special Claims Committee, and (II) Official Committee of Unsecured Creditors, Pursuant to Order Establishing Initial Procedures With Respect to Omnibus Objection to Claims Filed or Asserted by Holders of Certain Commonwealth General Obligation Bonds, Regarding List of Parties Filing Notices of Participation* [Docket No. 6464].

<sup>6</sup> See *Urgent Motion of (I) Financial Oversight and Management Board, Acting Through its Special Claims Committee, and (II) Official Committee of Unsecured Creditors, Under Bankruptcy Code Sections 105(a) and 502 and Bankruptcy Rule 3007, to Extend Deadlines with Respect to Omnibus Objection to Claims of Holders of Certain Commonwealth General Obligation Bonds* [Docket No. 6814].

3. Pursuant to an Order dated May 3, 2019 (the “May 3 Order”),<sup>7</sup> this Court granted the May 2 Motion and extended the Initial Proposal Exchange Deadline from May 7, 2019 to May 17, 2019

4. Since filing the May 2 Motion, the Objectors have met and conferred with the M&C Parties regarding proposed revised Objection Procedures. These discussions have been productive, but the Objectors are unable to finalize the Objection Procedures due to certain unresolved logistical and other issues.

5. Accordingly, the Objectors respectfully request a further extension of the Initial Proposal Exchange Deadline from May 17, 2019 to May 28, 2019.<sup>8</sup> The Objectors contacted the M&C Parties for their consent to this extension. All that have responded, which represents the overwhelming majority of the M&C Parties, have given their consent. The Objectors will continue to meet and confer with the M&C Parties regarding revised Objection Procedures.

#### **BASIS FOR RELIEF REQUESTED**

6. Pursuant to sections 105(a) and 502 of the Bankruptcy Code and Bankruptcy Rule 3007, this Court entered the GO Procedures Order to ensure that holders of more than \$6 billion of Challenged GO Bonds could participate in the litigation of the Objection. For the same reasons that entry of the GO Procedures Order and the May 3 Order was appropriate, this Court should approve the extension of the Initial Proposal Deadline to May 28, 2019 so that the

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<sup>7</sup> See Order, Pursuant to Bankruptcy Code Section 502 and Bankruptcy Rule 3007, to Extend Deadlines With Respect to Omnibus Objection of (I) Financial Oversight and Management Board, Acting Through its Special Claims Committee, and (II) Official Committee of Unsecured Creditors, Under Bankruptcy Code Sections 105(a) and 502 and Bankruptcy Rule 3007, to Extend Deadlines with Respect to Omnibus Objection to Claims of Holders of Certain Commonwealth General Obligation Bonds [Docket No. 6828].

<sup>8</sup> Under the Objection Procedures, the Recommendation is required to be filed on or before the date that is twenty-one (21) days following the Initial Propose Exchange Deadline. Accordingly, the date that the Recommendation must be filed will change based upon the new Initial proposal Exchange Deadline unless the proposed revised Objection Procedures amend such timeline.

Objectors can meet and confer with interested parties regarding revisions to the Objection Procedures to ensure that the Objection may be litigated in a workable and orderly manner.

**NOTICE**

7. Notice of this Urgent Motion has been provided to the following entities, or their counsel, if known: (i) the U.S. Trustee; (ii) the Office of the United States Attorney for the District of Puerto Rico; (iii) the Puerto Rico Fiscal Agency and Financial Advisory Authority; (iv) the Official Committee of Retirees; (v) the insurers of the bonds issued or guaranteed by the Debtors; (vi) counsel to certain ad hoc groups of holders of bonds issued or guaranteed by the Debtors; (vii) holders of Commonwealth bonds who are parties to any group that has filed a statement under Bankruptcy Rule 2019; (viii) the holders and insurers of Commonwealth bonds identified on Appendix I to the Objection; (ix) DTC; (x) all parties that filed an objection to the GO Procedures Motion; and (xi) all parties that have filed a notice of appearance in the above-captioned Title III cases.

**NO PRIOR REQUEST**

8. Except with respect to the GO Procedures Motion and the May 2 Motion, no previous request for the relief requested herein has been made to this or any other court.

**LOCAL RULE 9013-1 CERTIFICATION**

9. Pursuant to Local Rule 9013-1 and paragraph I.H of the Case Management Procedures, the Objectors hereby certify that they have conferred with counsel to the M&C Parties (parties that filed objections, and joinders to objections to the GO Procedures Motion and Participants who hold a significant amount (in principle) of Challenged GO Bonds) and no such M&C Party has objected to the relief requested in this Urgent Motion. Unless the Court orders otherwise, the Objectors submit that no hearing is necessary.

WHEREFORE, the Objectors respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting any other relief as is just and proper.

Dated: May 15, 2019

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